



February 17, 2009

HOUSE BILL No. 1729

DIGEST OF HB 1729 (Updated February 17, 2009 12:02 am - DI 113)

Citations Affected: IC 4-33; IC 4-35.

Synopsis: Gaming tax relief. Allows a distressed riverboat to deduct promotional allowances from the riverboat's adjusted gross receipts. Reduces the slot machine wagering tax brackets through June 30, 2014.

Effective: July 1, 2009.

Pelath

January 22, 2009, read first time and referred to Committee on Rules and Legislative Procedures.

February 9, 2009, reassigned to Committee on Ways & Means.

February 17, 2009, amended, reported — Do Pass.

C
o
p
y

HB 1729—LS 6584/DI 44+



February 17, 2009

First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

HOUSE BILL No. 1729

A BILL FOR AN ACT to amend the Indiana Code concerning gaming.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-33-2-2 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2009]: Sec. 2. **(a)** "Adjusted gross receipts"
3 means:

4 (1) the total of all cash and property (including checks received
5 by a licensee or an operating agent) whether collected or not,
6 received by a licensee or an operating agent from gaming
7 operations; minus

8 (2) the total of:

9 (A) all cash paid out as winnings to patrons; and

10 (B) uncollectible gaming receivables, not to exceed the lesser
11 of:

12 (i) a reasonable provision for uncollectible patron checks
13 received from gaming operations; or

14 (ii) two percent (2%) of the total of all sums, including
15 checks, whether collected or not, less the amount paid out as
16 winnings to patrons.

17 For purposes of this section, a counter or personal check that is invalid

HB 1729—LS 6584/DI 44+



C
o
p
y

or unenforceable under this article is considered cash received by the licensee or operating agent from gaming operations.

(b) This subsection applies only to a distressed riverboat (as defined by IC 4-33-13-1.7). For purposes of determining the wagering tax liability of a distressed riverboat under IC 4-33-13-1.5, the term refers to the amount determined after making the deductions permitted under IC 4-33-13-1.7.

SECTION 2. IC 4-33-13-1.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1.7. **(a) As used in this section, "distressed riverboat" means a riverboat that:**

- (1) is located not more than twenty-five (25) miles from a competing casino located in another state; and**
- (2) has a gaming tax burden that is at least one hundred percent (100%) greater than the gaming tax burden of the competing casino.**

(b) As used in this section, "promotional allowance" refers to any amount expended by a distressed riverboat to permit a patron to:

- (1) make a complementary wager on a gambling game; or**
- (2) play a gambling game without consideration.**

The term does not include any amount expended to provide a patron with complementary lodging, meals, or merchandise.

(c) For purposes of this section, the gaming tax burden of an Indiana riverboat is equal to the quotient of:

- (1) the total amount of taxes remitted by the riverboat under IC 4-33-12 and this chapter in the state fiscal year ending June 30, 2008; divided by**
- (2) the total amount of adjusted gross receipts (as determined without regard for this section) reported by the riverboat for the state fiscal year ending June 30, 2008.**

(d) For purposes of this section, the gaming tax burden of an out-of-state competing casino is either:

- (1) an amount determined under a calculation substantially similar to the calculation described in subsection (b); or**
- (2) the quotient of:**
 - (A) the casino's total amount of payments made in 2008 to state and local governments under a compact entered into under the Indian Gaming Regulatory Act; divided by**
 - (B) the casino's total adjusted gross receipts or a comparable amount determined for 2008 under the law of the state in which the casino is located;**

**C
o
p
y**



1 whichever is appropriate.

2 (e) For purposes of determining a distressed riverboat's
3 wagering tax liability under section 1.5 of this chapter, a distressed
4 riverboat may deduct from the distressed riverboat's adjusted
5 gross receipts (as determined without regard to this section) an
6 amount expended by the distressed riverboat as a promotional
7 allowance. The maximum amount that a distressed riverboat may
8 deduct under this section for a state fiscal year is as follows:

9 (1) Fifteen million dollars (\$15,000,000) for a state fiscal year
10 beginning after June 30, 2009, and ending before July 1, 2010.

11 (2) Twelve million dollars (\$12,000,000) for a state fiscal year
12 beginning after June 30, 2010, and ending before July 1, 2011.

13 (3) Nine million dollars (\$9,000,000) for a state fiscal year
14 beginning after June 30, 2011, and ending before July 1, 2012.

15 (4) Six million dollars (\$6,000,000) for a state fiscal year
16 beginning after June 30, 2012, and ending before July 1, 2013.

17 (5) Three million dollars (\$3,000,000) for a state fiscal year
18 beginning after June 30, 2013, and ending before July 1, 2014.

19 (6) Zero dollars (\$0) for a state fiscal year beginning after
20 June 30, 2014.

21 SECTION 3. IC 4-35-8-1, AS ADDED BY P.L.233-2007,
22 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23 JULY 1, 2009]: Sec. 1. (a) This subsection applies to a state fiscal
24 year beginning after June 30, 2009, and ending before July 1, 2014.
25 A graduated slot machine wagering tax is imposed as follows on the
26 adjusted gross receipts received from wagering on gambling games
27 authorized by this article:

28 (1) Twenty percent (20%) of the first one hundred million
29 dollars (\$100,000,000) of adjusted gross receipts received
30 during the period beginning July 1 of each year and ending
31 June 30 of the following year.

32 (2) Twenty-five percent (25%) of the adjusted gross receipts
33 in excess of one hundred million dollars (\$100,000,000) but
34 not exceeding two hundred million dollars (\$200,000,000)
35 received during the period beginning July 1 of each year and
36 ending June 30 of the following year.

37 (3) Thirty percent (30%) of the adjusted gross receipts in
38 excess of two hundred million dollars (\$200,000,000) received
39 during the period beginning July 1 of each year and ending
40 June 30 of the following year.

41 (b) This subsection applies to a state fiscal year beginning after
42 June 30, 2014. A graduated slot machine wagering tax is imposed as

C
o
p
y



follows on the adjusted gross receipts received from wagering on gambling games authorized by this article:

(1) Twenty-five percent (25%) of the first one hundred million dollars (\$100,000,000) of adjusted gross receipts received during the period beginning July 1 of each year and ending June 30 of the following year.

(2) Thirty percent (30%) of the adjusted gross receipts in excess of one hundred million dollars (\$100,000,000) but not exceeding two hundred million dollars (\$200,000,000) received during the period beginning July 1 of each year and ending June 30 of the following year.

(3) Thirty-five percent (35%) of the adjusted gross receipts in excess of two hundred million dollars (\$200,000,000) received during the period beginning July 1 of each year and ending June 30 of the following year.

~~(b)~~ (c) A licensee shall remit the tax imposed by this section to the department before the close of the business day following the day the wagers are made.

~~(c)~~ (d) The department may require payment under this section to be made by electronic funds transfer (as defined in IC 4-8.1-2-7(f)).

~~(d)~~ (e) If the department requires taxes to be remitted under this chapter through electronic funds transfer, the department may allow the licensee to file a monthly report to reconcile the amounts remitted to the department.

~~(e)~~ (f) The payment of the tax under this section must be on a form prescribed by the department.

C
o
p
y



COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1729, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning gaming.

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill do pass.

(Reference is to HB 1729 as introduced.)

CRAWFORD, Chair

Committee Vote: yeas 17, nays 7.

C
o
p
y

